

HOUSE BILL 1992

By Sanderson

AN ACT to amend Tennessee Code Annotated, Title 4,  
Chapter 56 and Title 12, relative to procurement.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 4, Chapter 56, is amended by adding the following language as a new section:

(a) As used in this section, vendor includes a legal entity that:

- (1) Is currently in a contract with a department or agency of the state;
- (2) Bids on a contract with a department or agency of the state; or
- (3) Attempts to amend a current contract.

(b) If a vendor knows or is made aware that the vendor is being investigated by a department or agency of the state or law enforcement regarding the business activity of the vendor, then the vendor shall immediately notify the chief procurement officer in writing of the investigation and explain the role of the vendor in the investigation, including:

- (1) The purpose of the investigation;
- (2) The amount of money in dispute, if applicable; and
- (3) The name of the department or agency of the state that is conducting the investigation.

(c) The chief procurement officer shall notify the executive director of fiscal review and the comptroller of the treasury of the name of the vendor under investigation, the department or agency conducting the investigation, and the nature of the investigation.

(d) A vendor who knowingly withholds information from the chief procurement officer related to an investigation and enters into a new contract or amendment to an existing contract with a department or agency of the state shall be subject to a fine of no less than ten thousand dollars (\$10,000) or five percent (5%) of the total price of the contract, whichever is greater.

(e) A contract entered into with a department or agency of the state and a vendor who is in violation of this section may be terminated at the discretion of the department or agency.

SECTION 2. This act shall take effect July 1, 2016, the public welfare requiring it and shall apply to all contracts entered into on or after such date.